

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

John F. Blake
Director of Logistics

EXTENSION

NO.

DATE

4 March 1970

TO: (Officer designation, room number, and building)

DATE

RECEIVED FORWARDER

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Assistant Deputy Director for Support, 7D24 Hqs.

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

Jack:

The attached is clearly a "position paper" and is so submitted, per our discussion.

JFB

~~SECRET~~

Director of Logistics Comments on Positions Taken by the
Executive Director-Comptroller on the
Inspector General Survey of the Office of Logistics

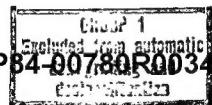
The Executive Director-Comptroller has commented on five recommendations in the Inspector General Survey, and there is now presented the current position of the Director of Logistics on these comments. They are sequentially numbered 1 through 5. The Executive Director-Comptroller comments are attached to this document for ready reference.

Item Number 1

I fully concur with the position taken by the Executive Director-Comptroller and propose, at an early date, to pursue this matter with each individual assigned to our domestic installations.

Item Number 2

I fully concur with the position taken by the Executive Director-Comptroller. We have underway, at this time, a course of action which, of itself, will tend to "simplify financial accounting procedures and to liberalize accounting requirements in the Type II and Type III accounts." This Office is currently coordinating with the Office of Finance a recommendation which will soon be presented to the Deputy Director for Support advocating a raising of the monetary definition of expendable property from \$50.00 to \$200.00. Safeguards are contained in our proposal to continue strict controls over item of "attractiveness," i.e., cameras, firearms, recorders, etc. Adoption of this recommendation alone will considerably ease the maintaining of current records at overseas stations.



~~SECRET~~

~~SECRET~~

Further, we will discuss the specifics of the Inspector General recommendation and Executive Director-Comptroller comment with the Director of Finance and see if more liberalization is still possible prior to the implementation of the Support Information Processing System (SIPS).

Item Number 3

This matter of delegation of contracting authority is a very complex and significant matter. I am prepared to accept the new and alternative recommendation presented in the Executive Director-Comptroller comments. I would like, however, to make several observations. It is interesting to note that, at the very moment the Inspector General raises the issue concerning the current Agency delegation posture, the Director has seen fit not only to perpetuate but extend his authority to give individual delegations of authority to contracting officers serving in a "special project" capacity (Mr. [redacted] Special Projects Staff, DD/S&T).

25X1

There appears to me a very easy solution to this problem, which the Inspector General's representatives either failed to note or see fit not to pursue. The Executive Director-Comptroller comment says, in part, "and the existing situation constitutes an exception to a regulation that makes no provision for exceptions." Would it not make sense to revise the regulations and allow for an exception so that a delegation theory, which has existed and worked well in this Agency for 16 years, may have the benefit of the only point the Inspector General seems to have in mind, i.e., regulatory blessing.

Item Number 4

I have two comments on this matter. I have briefed the Deputy Director for Support, and he has given me his approval, to create in the Office of Logistics a "Procurement

~~SECRET~~

SECRET

Approved For Release 2003/05/27 : CIA-RDP84-00780R003400080020-7

Management Staff," consisting of three officers and one clerk, and to appoint the Deputy Director of Logistics as the Chairman of the Agency Contract Review Board. The Procurement Management Staff, in addition to working for the Director of Logistics as a staff overseer of the entire decentralized procurement system, will also serve as the Executive Secretariat (a staffing element) for the Agency Contract Review Board. I have discussed this proposal with the members of the Agency Contract Review Board and they have registered their approval. I believe, therefore, this development adequately meets the spirit of the Executive Director-Comptroller comments.

I must register objection to the language in the Executive Director-Comptroller comments wherein he says that the role of the Chairman of the Agency Contract Review Board "if undertaken with vigor and independence of spirit will contribute significantly to our work in this field." There is a strong inference that the attributes of "vigor and independence" are not now present. I respectfully demur and strongly suggest there exist no facts to document that inference.

Item Number 5

I disagree with the philosophy expressed in the Executive Director-Comptroller comment and further disagree with a factual assumption upon which part of these comments are based. In the first instance, Support careerists, regardless of function represented, are "responsible for seeing that the interests of the Agency are protected in the accomplishment of his work." This is as equally true of a Personnel Classification Officer, who cannot capriciously upgrade a position as a personal favor, as it is of a Supply Officer, who cannot "loan" a tape recorder to a friend, as it is a Security Officer who cannot "overlook" a security violation. Secondly, if the uniqueness of the contracting officer position is based on his discharge of his legal responsibilities then this issue was pre-

Approved For Release 2003/05/27 : CIA-RDP84-00780R003400080020-7

SECRET

~~SECRET~~

Approved For Release 2003/05/27 : CIA-RDP84-00780R003400080020-7

viously met and decided when Finance Officers in Operating Components were given the powers of a Certifying Officer. Such Officers continued to be rated by the Operating Component. I would make one further observation and that is I believe the operating Deputy Directors would, and rightfully so, oppose this recommendation. Having said all that, I am perfectly willing to assume the responsibility because the manner in which we have exercised cognizance and participation in the whole decentralized procurement system gives me a clear insight into how the various senior contracting officers are performing their function.

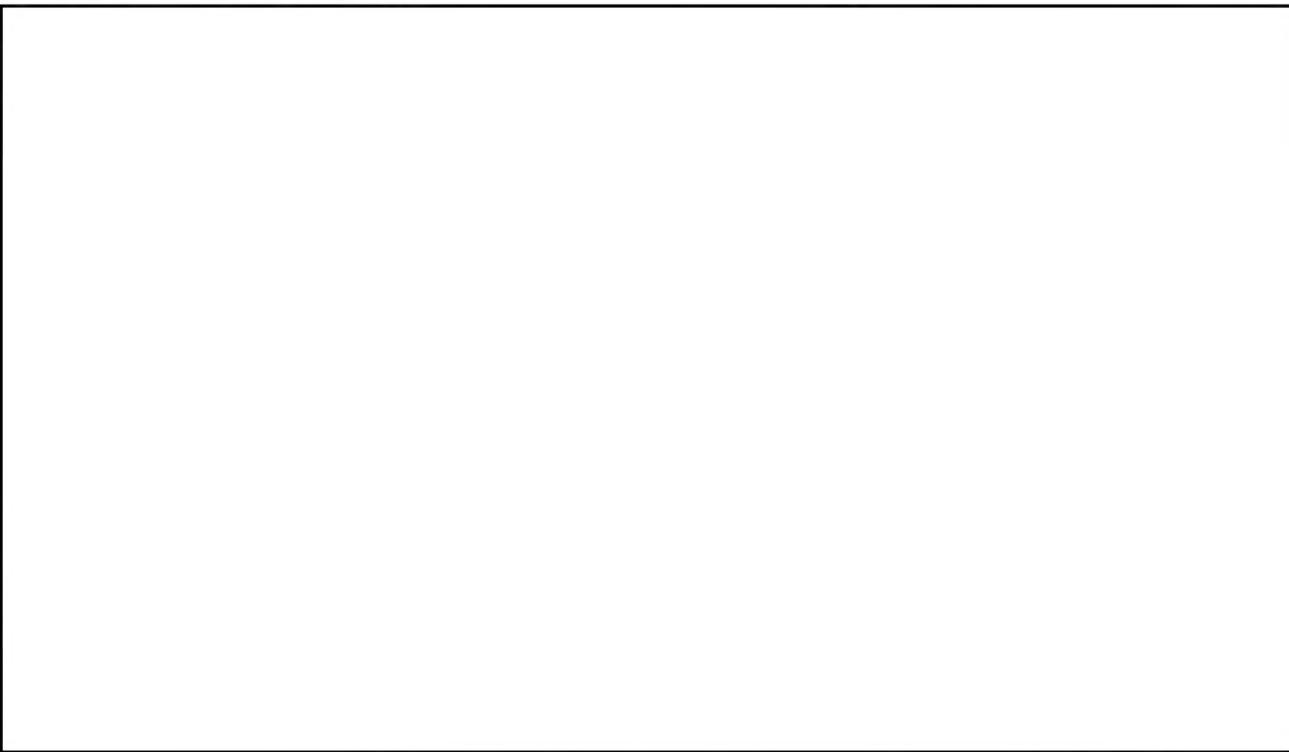
Att

~~SECRET~~

Approved For Release 2003/05/27 : CIA-RDP84-00780R003400080020-7

DISCUSSION OF CERTAIN RECOMMENDATIONS

Item #1 - Recommendation No. 1.c.



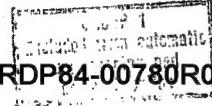
All that is needed is that these circumstances be recognized and that procedures acceptable both to the individuals and to the Office of Logistics be introduced.

Item #2 - Recommendation No. 8

This called for a study by the Director of Logistics and Finance to further simplify financial property accounting procedures and to liberalize accounting requirements in the Type II and Type III accounts. While agreeing in principle, you have expressed a preference for maintaining the present system in view of the anticipated implementation of SEPS in 1972.

Comment: Since it is agreed that the present system of financial property accounting presents a burden on certain overseas stations and

SECRET



SECRET

in view of the need to cut back these stations in size while preserving their operational efficiency, I ask that the Director of Logistics and Finance study this matter and take such action as may be indicated in the interests of simplicity.

X1
Item #3 - Recommendation No. 11

This recommendation was designed to assure that the delegation of contracting authority in this Agency is compatible with the existing regulation, [redacted]. Your response states that the recommended actions would result in the Director of Logistics assuming responsibility for NRP contracting and would risk Agency-NRO relationships.

Comment: While I agree that it would probably be undesirable to involve the Director of Logistics in any of the responsibilities having to do with contracting for the NRP, the fact remains that there is not an orderly delegation of contracting authority under that program, and the existing situation constitutes an exception to a regulation that makes no provision for exceptions.

There is an alternative to the course of action recommended by the Inspector General which would formalize the existing separation of NRP-funded contracting and non-NRP-funded contracting by creating two senior contracting officers, each with delegable authorities for their respective programs. I ask, therefore, that you arrange with DDS&T to revise [redacted] to provide that:

- a. The Director of Logistics exercise delegable authority for those procurement actions funded by CIA and other government appropriations, excluding, however, NRO or other special programs assigned to the Director of Reconnaissance by the DCI.
- b. The Director of Reconnaissance exercise delegable authority for those procurement actions funded by NRO and other special programs assigned to him by the DCI.
- c. Both the Directors of Logistics and Reconnaissance are authorized to make such further delegations of their authorities as deemed appropriate.

SECRET

Item #4 - Recommendation No. 12

This was a two-part recommendation which sought the separation of the Chairman, Contract Review Board, from line responsibilities as Special Assistant to the Director of Logistics and which sought the creation of an Assistant Deputy Director of Logistics for Contracting to manage the decentralized contracting program. It was rejected because of a lack of perceivable "conflict of interest" in the Chairman's dual role and a possibility that the Assistant Deputy Directorship would contribute to a return to a centralized procurement program.

Comment:

a. It is my view that the Agency can very well afford to assign one officer to serve exclusively as Chairman for a Contract Review Board. The review and preparation of materials for consideration by the Board, the arrangement of agendas, the chairing of meetings, the supervision of follow up actions, if undertaken with vigor and independence of spirit will contribute significantly to our work in this field. I believe that they also constitute a full time job. Asking that an officer so assigned also serve as Special Assistant to the Director of Logistics clearly diminishes his credibility as chairman of an independent board.

b. As I understand it, the responsibilities listed on page 83 and 84 of the Inspector General's report are shouldered by the Deputy Director of Logistics at the present time. I have no objection to this arrangement assuming that he can continue to handle this workload effectively. I, therefore, accept your nonconcurrence in the Inspector General's recommendation concerning the creation of an Assistant Deputy Director of Logistics for Contracting.

Item #5 - Recommendation No. 16

This recommendation suggested that arrangements be made to have fitness reports of contracting team heads prepared in the Office of Logistics and, in the case of other Logistics careerists on the teams, reviewed in that Office. It was rejected as being inconsistent with Agency policy and Support precedent.

Comment: You base your response to this recommendation on the assumption that contract officers assigned to other directorates are in a service capacity, similar to that of the normal Support careerist. This is not the case. The contracting officer, wherever assigned, is in the first instance responsible for seeing that the interests of the Agency are protected in the accomplishment of his work. Whenever a difference arises between the interests of the Agency as perceived by a contract officer, and as they may be perceived by the official to whom he is rendering support, the contract officer must feel free to maintain his position. To emphasize this freedom I feel that the basic command relationship linking the contract officer to the Director of Logistics should be maintained.